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Crew Seizes Hijacker After Jet Passenger Is Killed in Geneva

By Edward Cody

Washington Post Service

GENEVA — A Lebanese youth with explosives wrapped around his waist and carrying a small pistol hijacked an Air Afrique jetliner Friday and killed a French passenger before being overwhelmed by the crew and arrested after the plane landed in Geneva.

The hijacker, who identified himself as a Lebanese Shiite named Hussein Ali Mohammed Hariri, 21, was overwhelmed by a steward after he threatened to kill more passengers unless the plane was refueled.

Bonn Shows Signs of Wavering on Pershings

By James M. Markham

New York Times Service

BONN — Chancellor Helmut Kohl's center-right coalition is showing signs of wavering in its determination to retain 72 Pershing-1A missiles and their U.S.-controlled warheads, according to various officials, politicians and Western diplomats.

While government spokesmen have stressed Bonn's resolution to keep the aged missiles, strains within the coalition, sharpening Soviet

pressure and reluctance to block a superpower arms agreement are tugging Mr. Kohl in the opposite direction.

The question of the Pershing-1As has emerged as a central stumbling block to an arms accord since Mikhail S. Gorbachev this past week embraced a U.S. proposal for a worldwide ban on short-range and medium-range missiles, those with ranges of 300 to 3,000 miles (500 to 5,000 kilometers). The Pershing-1As, which will become obsolete in the early 1990s, have a range of 450 miles.

Foreign Minister Hans-Dietrich Genscher and his small Free Democratic Party, junior partner in the Bonn coalition, have for some time been willing to sacrifice the missiles, which are operated by the

See KOHL, Page 5

Within seconds after the killing, passengers at the rear of the DC10 aircraft opened side doors and slid down emergency chutes as Swiss security police stormed the plane and took the youth into custody.

Bernard Ziegler, head of the Department of Justice and Police in the canton of Geneva, said the lone hijacker had demanded the release of "a person incarcerated in West Germany," as well as fuel for a flight to the Middle East. A Swiss government spokesman, Achille Casanova, was quoted by The Associated Press as saying that the person being held was Mohammed Ali Hariri.

Mr. Hariri, a Lebanese Shiite who was arrested Jan. 13 at Frankfurt airport while he was carrying liquid explosives, is wanted by U.S. authorities in connection with the hijacking of a Trans World Airlines plane to Beirut in June 1985 in which a U.S. Navy diver was killed.

The hijacker of the Air Afrique plane gave Swiss authorities a card issued by the International Committee of the Red Cross that identified him as Mr. Hariri and stated that he had been held in an Israeli prison camp.

In Tel Aviv, Israeli military sources told Reuters that a man named Hussein Ali Hariri, a Lebanese Shiite Moslem, had been held in El Anasir detention camp in South Lebanon between July 1984 and May 1985.

[He has been detained in Tyre, Lebanon, after he was found carrying a hand grenade.]

The Air Afrique flight had originated Thursday night in Brazzaville, the capital of the Congo, and had passed through Bangui in the Central African Republic before it landed in Rome Friday morning before continuing on to Paris its destination.

Mr. Ziegler said the hijacker apparently boarded in Brazzaville, took command of the aircraft over Milan and ordered the pilot to land in Geneva for refueling.

Aboard the plane as it landed were 164 persons, including 15 crew members.

The French security minister, Robert Partrat, flew to Geneva because 64 French passengers were listed as being on the flight. By the time he arrived in Geneva, however, the crisis was over, Mr. Ziegler said.

Initial reports of the hijacking raised fears that it might be an attempt to take the French passengers hostage, as part of France's confrontation with Iran over an Iranian official who is wanted for

murder.

Mr. Shultz said he had not known about it before the hearings, but he added: "There were a lot of

See HIJACKING, Page 5



Swiss police stormed the entrance of a hijacked Air Afrique DC-10 on Friday in Geneva.

For Shultz, a Period Of Shame and Betrayal

By Haynes Johnson

Washington Post Service

WASHINGTON — George P. Shultz came alone, with no lawyers beside him and no prepared opening statement to deliver. His solitary appearance, and the solemn, blunt manner in which he testified, gave special impact to his description of the way he and his department

had special power for a number of other reasons.

He appeared refreshingly candid, and gave no sense of being unable to remember crucial events, as have most Iran-contra witnesses who testified during the last 10 weeks.

His only bad moments came when he seemed to hedge about his own past role, particularly in response to a question about testimony from Rear Admiral John M. Poindexter that Mr. Shultz had not agreed to be fully informed of Mr. Shultz's testimony.

He maintained that he was forceful in opposing the Iran arms arrangements, adding that the decision was the president's and "I didn't win all the arguments."

Representative William S.

Broomfield, Republican of Michigan, pressed Mr. Shultz on why the president resisted his arguments as well as those of Defense Secretary Casper W. Weinberger. He suggested that Mr. Shultz had not argued strongly enough.

He said that Mr. Abrams "made a mistake and he knows it," but characterized the combative assistant secretary as "a good guy" who is "full of remorse."

Mr. Shultz also defended Assistant Secretary of State Elliott Abrams, who conceded in his testimony before the committee that he misled Congress about solicitation of funds from third countries for the contras.

Mr. Shultz's defense of Mr. Abrams was in some doubt about our views, your point is wrong," Mr. Shultz said.

He denied the secret arms deals, saying: "It galls me. Our guys... they got taken to the cleaners. You look at the structure of this deal — it's pathetic that anybody would agree to anything like that. It's topsy-turvy."

He denounced the endorsements given by other witnesses of covert operations beyond the bounds of normal accountability and of using proceeds from the Iranian arms sales for other secret projects.

"It is totally outside of the system of government that we live by and must live by," he said, in strong tones. "You cannot spend funds that the Congress doesn't either authorize you to obtain or appropriate. That is what the Constitution says, and we have to stick to it."

"We have this very difficult task of having a separation of powers," he said, "that means we have to learn how to share power. Sharing power is harder, and we need to work at it harder than we do. But that's the only way. And this is not sharing power. This is not in line with what was agreed to in Phila-

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Letter Reveals Casey Tried to Make Reagan Dismiss Shultz in November

United Press International

people outside the government who were after my scalp."

Later, a Senate lawyer, Mark Belnick, said the letter from Mr. Casey, who died in May, was sent in late November. Mr. Belnick said the committee had no indication that Mr. Reagan replied to it.

He said Mr. Casey attached to the letter a copy of his Nov. 21 testimony to Congress in which he misled Congress about U.S. government involvement in a November 1985 arms shipment to Iran.

"The whole thrust of the letter is that 'the secretary of state is dishonest and you need a new pitcher,'" Mr. Belnick said.

He said he was not sure of the exact language in the letter, which is still classified, but added that it would probably be released soon.

Mr. Shultz was asked about being deliberately misled as to who controlled the Swiss bank account where money from the secret U.S. arms sales to Iran was deposited.

He responded that "sometimes I feel like I'd like to wring somebody's neck."

"It's just another example of the kind of deception that was practiced," Mr. Shultz said.

Mr. Shultz, in his second day of testimony before the special congressional panels investigating the arms-for-hostages transactions with Iran and the diversion of funds to the Nicaraguan rebels known as the contras, turned aside charges that he could have persuaded the president of the foolishness of sending arms to Iran.

He maintained that he was forceful in opposing the Iran arms arrangements, adding that the decision was the president's and "I didn't win all the arguments."

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Those Lips! That Hair! Joan Collins Boffo in Courtroom Drama

Star Battles Her Soon-to-Be Ex

By Cynthia Gorney

Washington Post Service

LOS ANGELES — On the third day of the Joan Collins-Peter Holm trial, her lawyer showed up with a mystery witness.

The mystery witness sat in the courtroom for a while Thursday, causing heated speculation. Then she testified that her name was Romina Danielson and that she was the girlfriend of Peter Holm.

She testified that Mr. Holm, the man Joan Collins wishes no longer to be married to, had told her how he planned to defraud Miss Collins.

She testified that Mr. Holm told her to marry a wealthy 80-year-old friend of his and to "get all the property in joint name" and that she did. She testified, under questioning by Miss Collins's lawyer, Marvin Mitchelson, that Mr. Holm said he could marry her in a few years once both of them had the money they needed.

Then Mr. Holm's lawyer got up to cross-examine her.

She collapsed. Paramedics carried her away.

Court was adjourned for the day. Miss Collins was also on the witness stand. It was hard not to fixate on her lips.

The hair was mesmerizing too, especially on Wednesday, when a single velvet bow appeared to be perilously containing the whole arrangement.

[The judge ruled Friday that Mr. Holm was not entitled to \$80,000 a month in temporary support, United Press International reported.]

Anyway, the lips. These lips are worth \$85,000 an episode, which is what Miss Collins testified she made last season playing Alexis on television's "Dynasty." These lips pouted, and pursed, and made small moves in the general direction of the press corps, which was dutifully taking notes.

Some of the notes were in Swedish, since Mr. Holm is Swedish and the proceedings in Los Angeles Superior Court are of interest to the developed world in general. German reporters were there also, and half of Fleet Street, which particularly liked it when Miss Collins said she accepted Mr.

See COLLINS, Page 5

Algeria	4,000 Dhs.	Iran	115 Kials	Oman	0,900 Bushels
Austria	22.5	Ireland	1,200	Persia	125 Ds.
Bahrain	0.750 Dhs.	Iraq	1,200	Persia	450 Bushels
Belgium	50 B.F.	Jordan	450	Persia	75 P.
Canada	C\$ 1.05	Kuwait	500	Persia	1,200 P.
Czechoslovakia	Cz. 0.60	Kuwait	600	Persia	1,200 P.
Denmark	100 Dkr.	Kuwait	600	Persia	1,200 P.
Egypt	£ 2.75	Liberia	1,200	Persia	1,200 P.
Greece	£ 0.75	Lebanon	1,200	Persia	1,200 P.
Iceland	£ 0.75	Lebanon	1,200	Persia	1,200 P.
Ireland	£ 0.75	Lebanon	1,200	Persia	1,200 P.
Italy	£ 0.75	Lebanon	1,200	Persia	1,200 P.
Japan	¥ 1,200	Lebanon	1,200	Persia	1,200 P.
Malta	£ 0.75	Lebanon	1,200	Persia	1,200 P.
Norway	£ 0.75	Lebanon	1,200	Persia	1,200 P.
Portugal	£ 0.75	Lebanon	1,200	Persia	1,200 P.
Spain	£ 0.75	Lebanon	1,200	Persia	1,200 P.
Sweden	SEK 0.75	Lebanon	1,200	Persia	1,200 P.
United Kingdom	£ 0.75	Lebanon	1,200	Persia	1,200 P.
U.S.A.	\$ 0.75	Lebanon	1,200	Persia	1,200 P.
U.S.S.R.	100 R.	Lebanon	1,200	Persia	1,200 P.
Venezuela	Bs. 1,200	Lebanon	1,200	Persia	1,200 P.

GENERAL NEWS
■ Survivors of a massacre in Mozambique seek reasons for the attack.
Page 2.

■ Jeffrey Archer, the novelist, has won £500,000 (\$800,000) in libel damages from The Star newspaper.
Page 14.

BUSINESS/FINANCE
■ The U.S. economy grew at a 2.6 percent annual rate in the second quarter, better than expected.
Page 7.

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France's Iraq Ties Hindered Effort to Appease Iran

By Edward Cody
Washington Post Service

PARIS — Prime Minister Jacques Chirac's much-heralded attempt to improve contacts with Iran has founded against the background of France's long-established and highly lucrative military ties with Iraq.

With France and Iran now in a dangerous confrontation and French diplomats trapped in Tehran, the search for friends in Ayatollah Ruhollah Khomeini's Islamic government seems, in retrospect, to have been doomed from the start for a nation that, alongside the Soviet Union, had become one of Iraq's largest arms suppliers.

When an Iraqi pilot attacked the U.S. frigate Stark on May 17, killing 37 sailors, he fired a French-made Exocet missile from a French-made Mirage plane and likely returned home with guidance from a French-made radar system on the ground.

When Iraq needed to replenish artillery and munitions stocks last February after an Iranian offensive near Basra, Foreign Minister Tariq Aziz flew to Paris for talks with Mr. Chirac and a visit by Iraqi experts to the headquarters of Thomson-CSF, a French arms manufacturer.

General Abdul Jabbar Chanchal, the Iraqi official in charge of military supplies, had come here only three weeks earlier to help reschedule a debt to France estimated at more than \$4 billion accumulated in large part through de-

ferrered-payment purchases of French weaponry since the Iran-Iraq war broke out in 1980.

Like President Ronald Reagan in his search for Iranian moderates, Mr. Chirac apparently tried what turned out to be impossible because of a burning desire to obtain Iranian help in freeing hostages kidnapped in Lebanon.

The repeated Iranian demand of French neutrality in the war, and the consistent French position that sales to Iraq will go on, seemed to create an irreconcilable contradiction in Mr. Chirac's policy from the beginning.

Unlike the Reagan administration, however, Mr. Chirac began the enterprise with a clearly defined French policy of supplying Iraq already in effect — a policy that had been initiated more than a decade ago by Mr. Chirac himself.

French officials have said that Mr. Chirac made it clear to Iran from the start of his attempt at renewed relations in April 1986, that French policy in the Middle East would remain unchanged, including support for Iraq.

Foreign Minister Jean-Bernard Raimondi, in a recent radio interview, said: "When we told the Iranians we were ready to normalize our relations in the framework of certain limits and without changing our Middle East policy, they understood very well."

Whether they understood or not, Iranian officials have been equally clear in explaining that French neutrality in the Gulf war was a condition for improved relations.

Within days of General Chanchal's visit to Paris to secure more French weapons on credit, for example, an Iranian official also visited and insisted that

headquarters from a Paris suburb to Iraq. But nothing was done to end the military sales relationship with President Saddam Hussein in Baghdad and, French officials declared, nothing would be.

Reports in the French press have said Mr. Chirac's government led Iranian officials to understand that if French hostages were released in Lebanon a way would be found for Iran to buy French military equipment as well. But Mr. Raimondi has denied this, insisting that French envoys have repeatedly told Iran that arms sales were out of the question.

In any case, the repeated Iranian demand of French neutrality in the war, and the consistent French position that sales to Iraq will go on, seemed to create an irreconcilable contradiction in Mr. Chirac's policy from the beginning.

France long has maintained cordial relations with Syria, a traditional enemy of Iraq, without having to renounce its friendship with Baghdad. But Iran's fundamentalist leadership emphasized that such an arrangement was impossible with Tehran, even if both countries could profit from it, as long as the war with Iraq dominates life in Iran.

"How can you proclaim friendship and alliance with an aggressor?" the Iranian chargé d'affaires, Gholam Reza Hadadi, asked a French interviewer in February.

"We demand French neutrality in this war that has been imposed on us," he said. "We demand a halt in all military



Jacques Chirac

said to Iraq, to this country that threatens hundreds of villages, bombs civilian populations and uses chemical weapons."

As the Gulf conflict dragged on, France continued to sell Iraq missiles, electronics, artillery, ammunition and Mirage planes, arranging partial payment in Iraqi petroleum. Despite reservations expressed by the United States and Britain, France sold Iraq five advanced Super Etendard aircraft in October 1983.

This gave Iraqi forces increased range for attacks with Exocet missiles against shipping in and out of Iranian oil ports. Iran threatened them to close off the Gulf if Iraq used the planes to attack petroleum tankers, helping set up conditions for the present crisis involving U.S. military forces in the Gulf.

WORLD BRIEFS

British Ferry Officers Are Suspended

LONDON (Reuters) — The captain and the first officer of the Herald of Free Enterprise, were suspended Friday and their employers were condemned for sloppy procedures on the British ferry that capsized in March, killing 133 people.

A High Court judge, Sir Barry Sheen, ordered the suspension of Captain David Lewry for a year and of First Officer Leslie Savel for two years. In announcing the result of a meticulous investigation he headed, the judge also said the ferry's owner, Townsend Car Ferries Limited, was "at fault at all levels, from the Board of Directors down to the junior

superintendent."

The ferry capsized on March 6 shortly after leaving Zeebrugge, Belgium, for a Channel crossing to Dover, England. About 400 people are believed to have survived; Judge Sheen said the disaster was caused when water entered through the bow doors, which had been left open, leaving the ferry unstable.

The court heard that the ship had been loaded beyond its capacity and that the crew had been given insufficient time to prepare for the crossing.

Mr. Lewry, 52, was suspended for a year and Mr. Savel, 36, for two years.

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AMERICAN TOPICS

Mayflies Signal a Revival For Upper Mississippi River

Mayflies are swarming in the greatest numbers in 30 years along the upper Mississippi River, the Los Angeles Times reports, a sign that pollution controls are bringing new life to the river. Sewage and chemicals had choked oxygen from long stretches of the river bottom where the mayfly larvae burrow, killing them off.

Once the insects reach the flying stage, they live for only 24 hours, just long enough to mate and lay eggs. This leaves billions of bugs, dead and alive, inches deep on sidewalks, makes streets slippery, darkens car windshields, and even puts a stop to evening softball games or outdoor band concerts.

"It's like something out of Alfred Hitchcock's 'The Birds,'" said Sally Sullivan of Trempealeau, Wisconsin, whose restaurant has been engulfed in a blizzard of mayflies which do not bite or sting.

"It means we're cleaning up our act," says Calvin Fremling, a biologist who specializes in aquatic life. "The river is getting cleaner."

Fish, which feed on the mayflies, are coming back, too. Howard Krosch, of the Minnesota Department of Natural Resources, said that only scavenger species such as carp and gizzard shad were found during the 1960s in a heavily polluted 30-mile (50-kilometer) stretch of the Mississippi running south from St. Paul. Now,

the same waters teem with walleye pike, sauger, smallmouth bass and northern pike.

Short Takes

A Maryland man who used a toy gun in a robbery should not have been convicted of carrying a deadly weapon because the crime victim did not believe the gun was real, an appeals court has ruled. It ordered Willie Earl Wright sentenced for simple robbery.

"The victim was not convinced that the toy was a real gun," the court said. "She became enraged and threw a cup of [soft drink] in appellant's face. Appellant then grabbed her purse out of the top of a grocery bag and ran away."

Competition among hospitals tends to increase the patient's costs rather than decrease them, according to a University of California study of 3,732 hospitals. Price often is not the key factor for patients, the study noted, especially if their insurance companies are paying. So they look for such factors as proximity to their homes, comfort, quiet and parking spaces.

The Anti-Defamation League of B'nai Brith has appointed Abraham H. Foxman as national director. Mr. Foxman, 47, who had been associate director since 1978, succeeds Nathan Perlmutter, who

died July 12 at the age of 64. The league was founded in 1913 to fight anti-Semitism. Based in New York City, it has 31 U.S. branches and offices in Jerusalem, Paris, Rome and Latin America. Mr. Foxman, who was born in Poland and educated in the United States, said on taking office, "Anti-Semitism is a disease to which we have not yet developed a vaccine, neither have we for bigotry or prejudice."

It was here today, gone tomorrow for William Currie, 67, an unemployed Detroit, who was sure he had won a million-dollar lottery only to learn that he had not. His son, William, 18, meanwhile, had quit his job as a restaurant manager. Lou Livernos, the restaurant owner, said he had no intention of giving the younger Currie his job back. "He said he didn't have to work because he was a millionaire."

Barry Kirschner, owner of Flutes Chamber Bar in Washington, said his bartender, Joey Silva, has concocted the Ponderosa Cocktail in honor of Rear Admiral John M. Ponderosa, whose testimony at the congressional hearings on the Iran-contra affair was marked by frequent lapses of memory. The cocktail's ingredients? "I don't remember," Mr. Silva said.

—ARTHUR HIGGEE



AN OLLIE FOR THE FAMILY ALBUM — David Hawkins, a tourist in Washington, poses for a photograph with a cardboard cutout of Lieutenant Colonel Oliver L. North outside the Treasury building.

Ronald Thomas/Reuters-LP

For 2 Senators, Stakes Are High on Bork Fight

By Edward Walsh
Washington Post Service

WASHINGTON — Gently exchanging quotations from Alexander Hamilton, two presidential contenders who will play major roles in the fight over the Supreme Court nomination of Judge Robert H. Bork have disagreed on how the Senate should deal with the issue.

Senator Joseph R. Biden Jr., Democrat of Delaware and chairman of the Senate Judiciary Committee, accused President Ronald Reagan on Thursday of trying to "remake the court in his own image" through the Bork nomination.

Mr. Biden, who is seeking his party's presidential nomination in 1988, said the Senate has an obligation to consider Judge Bork's overall "judicial philosophy and the consequences for the country" should he be confirmed.

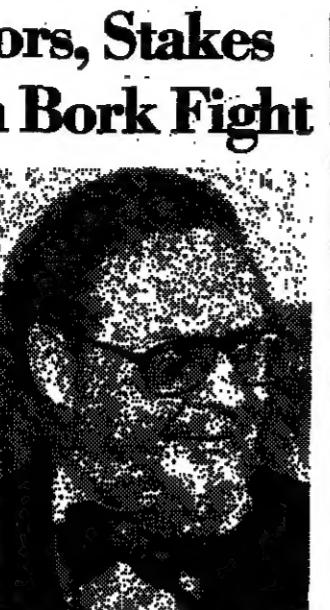
He compared Mr. Reagan's nomination of Judge Bork, now a U.S. Appeals Court judge, with President Franklin D. Roosevelt's "court-packing" plan of 50 years ago.

We are once again confronted with a popular president's determined attempt to bend the Supreme Court to his political ends. No one should dispute his right to try. But no one should dispute the Senate's duty to respond," Mr. Biden said.

Bob Dole of Kansas, the Senate minority leader and a contender for the Republican presidential nomination, replied that consideration of Judge Bork's views on "specific political and social issues" would "offend common sense" and "be horribly shortsighted."

The stark — and to his opponents disconcerting — fact is that Judge Bork's views are well within the acceptable range of legal debate," Mr. Dole said. "And, if presidential elections mean anything at all, are probably much closer to the mainstream of American thought than that of most of his political critics."

The low-key exchange, which took place Thursday in a nearly



Judge Robert H. Bork, above, whose confirmation battle in the Senate pits Senator Joseph R. Biden Jr., above right, a Democratic presidential contender, against Senator Bob Dole, right, a Republican seeking his party's presidential nomination.



empty Senate chamber, underscored the stakes involved for the two presidential contenders as they prepare to lead the opposing sides in the Bork confirmation fight.

Arguing that the Senate repeatedly has "scrutinized the political views and the constitutional philosophy of Supreme Court nominees," Mr. Biden spoke for an hour from a prepared text studded with scholarly references to the intentions of the framers of the Constitution and Senate precedents stretching back two centuries to George Washington's administration.

Mr. Biden's speech was well advertised in advance and Mr. Dole clearly had no intention of allowing his Democratic rival an unobstructed spotlight. He came armed with a more brief response that also quoted the framers, constitutional scholars and Senate precedents to

buttress his contention that Judge Bork's political views should have no place in the confirmation process.

Mr. Biden quoted Federalist Paper 76, written by Hamilton, which stated that Senate review of Supreme Court nominations would prevent a president from appointing justices to be "the obsequious instruments of his pleasure."

In his reply, Mr. Dole quoted the same document as saying that the president was to be "the principal agent" in the judicial process, with the Senate acting to prevent the appointment of "unfit characters."

The jockeying occurred as an aide to Senator Alan Cranston, Democrat of California, said a preliminary vote count showed 45 senators for confirmation of Judge Bork, 45 opposed and 10 undecided.

There are no plans yet for a U.S. Soviet ministerial meeting at the time of the UN session.

Several senior officials said the three issues on which the United States would compromise were the timing for dismantling medium-range missiles, the question of shifting missiles based in Europe to ships offshore, and provisions for inspections to verify compliance.

On Thursday the administration began studying exactly how to modify the treaty verification and testing provisions included in its draft treaty in Geneva.

Several senior U.S. officials said

that a treaty might be concluded within the next two months, as the Kremlin has suggested. Instead, one U.S. official said, it might be concluded by the end of the year after further discussions by U.S. and Soviet foreign ministers during the September meeting of the United Nations General Assembly.

But the officials said again Thursday that Washington would not agree to the Soviet demand for removal of the warheads for 72 aging West German missiles.

The officials said again that the planned U.S. concessions thus would cover three of the four principal issues identified Thursday in Moscow by the army chief of staff, Marshal Sergei F. Akhromeyev, as obstacles to a missile treaty and a summit meeting between President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev.

With such a major issue unresolved, some officials were skeptical.

Washington Plans New Concessions On Medium- and Short-Range Arms

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — The Reagan administration intends to offer several new concessions on a proposed treaty with the Soviet Union eliminating medium-range and short-range nuclear missiles, according to U.S. officials.

But the officials said again Thursday that Washington would not agree to the Soviet demand for removal of the warheads for 72 aging West German missiles.

The officials said again that the planned U.S. concessions thus would cover three of the four principal issues identified Thursday in Moscow by the army chief of staff, Marshal Sergei F. Akhromeyev, as obstacles to a missile treaty and a summit meeting between President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev.

With such a major issue unresolved, some officials were skeptical.

New York Court Voids Regulations To Cut Down on Smoking in Public

By R. Jeffrey Smith
Washington Post Service

ALBANY, New York — A New York state appellate court, in a 3-2 decision, has ruled that the administration of Governor Mario M. Cuomo should not have issued broad restrictions on smoking without the approval of the state Legislature.

The case now goes to the state's highest court, the Court of Appeals, which is expected to hear it in the fall. In the meantime, the smoking regulations will not be in effect.

Thursday's decision found that the Public Health Council, whose 15 members are named by the gov-

ernor, exceeded its authority when it unanimously voted the restrictions on Feb. 6. The decision was handed down by the Third Department of the Appellate Division of the state Supreme Court.

The regulations would prohibit smoking in most public indoor areas and would limit it in the workplace to separate rooms. Restaurants with 51 or more seats would be required to set aside nonsmoking areas.

The Public Health Council unanimously voted the smoking regulations after a finding by the U.S. surgeon general last year that nonsmokers could be harmed by inhaling the smoke of others.



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Reagan Signs Law For Aid to Homeless

By Robert Pear
New York Times Service

WASHINGTON — President Ronald Reagan has signed a bill authorizing the government to provide slightly more than \$1 billion in emergency assistance to the nation's homeless over the next two years.

The law, signed Wednesday night, provides emergency shelter and some permanent housing for homeless individuals and families, as well as a wide range of services including health care, education and job training.

It is the first such comprehensive effort by Congress to address the problem of homelessness in America.

A White House official acknowledged Thursday that it was unusual for the president to sign a bill at night. The official said the timing of the signing was intended to demonstrate the president's "lack of enthusiasm" for the bill.

The official said Mr. Reagan was generally in favor of helping the homeless. But, he said, administration officials felt the bill provided too much money for some homeless activities. "We were concerned about too much money being thrown at programs that have a mixed record," the official said.

The new law authorizes \$443 million in aid to the homeless in the current fiscal year and \$616 million in the next fiscal year, which begins Oct. 1.

No one knows for sure how many homeless there are in the United States. The Department of Housing and Urban Development put the number at 250,000 to 350,000 in May 1984. Advocates for the homeless say the current number is probably 2 million to 3 million.

The law will grant \$15 million this year and \$124 million next year to provide emergency food and shelter to homeless people around the country. In addition, it would provide \$50 million next year to cover administrative expenses incurred by states in distributing surplus food to the needy.

The measure would provide up to \$100 million this year and \$120 million next year for emergency shelter grants to be distributed by the Department of Housing and Urban Development. The money will permit cities and states to purchase or renovate buildings for use as shelters.

It authorizes \$12 million to provide job training to homeless adults next year; \$175 million over two years to teach homeless adults reading, writing and other basic skills; and \$5 million each year to

help states ensure that homeless children receive an education.

The bill also allows \$35 million this year and "such sums as are necessary" next year for grants to the states to provide emergency aid to homeless people with chronic mental illnesses.

Under the law, the U.S. government could provide \$10 million this year to local public and private nonprofit organizations that treat homeless people with alcohol and drug abuse problems. In addition it earmarks \$50 million this year and \$30 million next year to finance health care for the homeless.



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OPINION

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

No Excuse Left to Fail

Mikhail Gorbachev has thrown aside the last major obstacle to a nuclear arms treaty. He has accepted President Reagan's proposal to eliminate all medium- and short-range nuclear missiles in Asia as well as in Europe. There is now no serious excuse for failure to resolve remaining differences.

The trick is to maintain the momentum. Secretary of State George Shultz and Foreign Minister Eduard Shevardnadze can set their long-delayed meeting for next month to clear the path through the rest of the issues. To ensure that their bureaucracies do not invent additional obstacles, Mr. Reagan and Mr. Gorbachev can announce their intention to meet before the end of the year.

The two sides agreed months ago to ban medium- and short-range missiles from Europe, with each retaining 100 missile warheads elsewhere. Those extra 100 created most of the problems. They complicated verification: it is easier to monitor a situation in which the presence or production of any missile constitutes a violation. They generated diplomatic difficulties: Japan and other Asian countries felt singled out for more cavalier treatment than Europe.

Some will credit this happy advance to General Secretary Gorbachev's newly conciliatory posture, others to President Reagan's hang-tough steadfastness. Both will be right, but neither translates into a general rule for bargaining to wrap up this accord. Mr. Gorbachev would be helped internally by concluding an arms pact with Washington. But that does not mean he can afford to make all the other concessions as well. Mr. Reagan was right to dig in his heels on the last warheads because Moscow has been hinting broadly for

weeks that it would accept a global ban. The president could afford to gamble because it was a concession that made sense for Moscow as well as Washington: Those warheads in Asia did not mean as much to Mr. Gorbachev as the agreement they blocked.

At least two significant issues remain. The Russians insist on eliminating 72 West German missiles with warheads owned and controlled by the United States. A fair compromise could leave the missiles and warheads as they are, with Western assurances against modernization. Moscow has to understand how vital this issue is to West Germany and thus to Washington. The Reagan administration has to see that modernization would likely be resisted by the German public, even if it were allowed.

It will also take time and care to work out procedures on verification. The path, however, is cleared by Moscow's acceptance of on-site checking and the total ban on missiles.

The final details may not be easy, but the prospect of their resolution would brighten immeasurably if each side cast away a troubling notion: that the other leader needs an agreement more. The benefits of this agreement are mutual. While its military significance is limited, it would eliminate a category of nuclear weapons. It would also increase public confidence in the ability of the two governments to control the arms race.

Agreement would be a fitting start for Mr. Gorbachev's plan to shift focus to his internal problems, and a valued end to Mr. Reagan's tenure. Setting a date for a summit meeting would virtually ensure the treaty's completion and would signal a triumph for both nations and both leaders.

— THE NEW YORK TIMES.

Shultz Takes the Stand

Finally someone got up in front of the Iran-contra committee and, without having to look to one side at his lawyer or over his shoulder at the specter of a special prosecutor, spoke to Congress with evident ease. He spoke in a manner producing none of the questions about truthfulness and memory capacity that have attended the testimony of other witnesses. This was the testimony of Thursday of Secretary of State George Shultz. He was startlingly outspoken.

From different quarters the secretary had been accused in the Iran-contra affair of insufficient zeal, first in failing to force a confrontation with the president over policy differences and then, once the president got into the soup, in failing to come to his defense by signing on after the fact to a disastrous policy. Secretary Shultz argued that the best and only real way to defend the president was by trying to end the misguided actions that had created the trouble and trying to get the facts to the president past the barriers set up by National Security Council staff and the CIA director, William Casey. The man who emerged Thursday was a very different George Shultz from the one assumed in the complaints. He was not someone self-servingly lethargic and sphinxlike, but an official whose loyalty to the president, and doggedness and lack of pesty pride, allowed him to suffer repeated and painful humiliations at the hands of less principled bureaucratic interlopers in order to stay engaged in the policy war to serve his chief. If he had a fault, it was a lack of imagination. That he was square, straight; he simply could not imagine that colleagues in government, responsible officials, could lie to him and deceive the president, repeatedly and dishonestly.

Interestingly, the President Reagan who emerged from Mr. Shultz's testimony was

more sympathetic and engaged figure than the implausible president depicted in the testimony of his NSC staff members. Mr. Shultz takes the view that Mr. Reagan acted as he did because he was getting bad information. Others will challenge that. They will say that the president was getting bad information because only on the basis of bad information could his objectives — retrieving the hostages at any cost, and supporting the contras — be pursued. But the secretary has inadmirably established a couple of things. One is that the level of internal deception and knife work in this administration was extraordinary by any standard: The conflict between the good and the bad, to echo a recent phrase, led to a prolonged bout of the ugly. Another is that America's current obsession with heroes and heroics needs work.

The hearings have produced an extended and mostly silly national colloquy on the nature of heroes. Self-dramatizing Oliver North is widely designated one of the breed. We see no heroes in this affair. But we do see some people who, in difficult circumstances, acted, if not always wisely and effectively, then honorably and with intelligence. George Shultz is surely one. He was not as alert as he might have been to the machinations of others; his judgment about his associates, including the president, was often sanguine. But he was thinking about the right conduct of policy; he brought good sense to a subject that brought out the loony in others; he tried to get the government to act in ways that were rational and strong. That he failed is a judgment on Mr. Shultz, not just on those he was doing battle with. But the secretary offered Mr. Reagan his best judgment, and Mr. Reagan lost much of value when he did not take it.

— THE WASHINGTON POST.

Summer in New York

To walk around New York on a hot summer day is to realize just how old-fashioned a place it is, and how noisy human. In more modern Sun Belt cities summer heat forces windows shut to keep in the air-conditioned chill. In New York, it forces windows open in many homes to admit any passing breeze — and with it the sound of babies crying, brakes screaming, stereo blasting, couples fighting.

In New York, even middle-income people are grateful just to have a decent place to live, never mind the fancy wiring. In many neighborhoods, fans still whirr and flutter curtains, and old women lean over pillow windowsills to monitor passers-by. Where there are stoops there are siters, emerging in the morning and often remaining outdoors until the sun goes down and the street lights are on and the air has cooled a bit. Sometimes they do not go in then. To walk around New York on a hot summer night is to realize that a street makes a fine living room.

— THE NEW YORK TIMES.

Other Comment

Not Yet Dancing in the Street

The lifting of martial law in Taiwan, though a welcome development, brought no dancing in the streets in Taipei, or anywhere else on the island. The reason is that the Kuomintang regime still keeps a tight rein on Taiwan's political system. Just a few days before the lifting of martial law, a new National Security Law was passed, which con-

tinues a number of restrictions on freedom of association, assembly and movement. Other laws effectively limit freedom of speech and of the press. So the lifting of martial law represents only a first step toward a free and democratic system. More must be done before the people of the island will indeed go into the streets and celebrate.

— Gerrit van der Waer, chief editor, *Taiwan Communiqué* (The Hague).

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Germany Is Moving, Not Cutting Itself Loose

By Flora Lewis

BONN — Thirty-eight years after the establishment of two rival states in Germany, the leader of the Communist East is coming to visit the capitalist West for the first time this September.

Erich Honecker, head of the German Democratic Republic, was born in a mining town in the Saarland, near the French border, and he will go to see his old home. Most important, he will be received in Bonn with all the protocol accorded to the head of a foreign state, a status that was refused in 1984 when he was forced by the Russians to cancel his visit at the last minute.

It is a sign of the times. West Germany is moving, but not cutting loose from allies to drift toward a reunified neutrality as the French prefer to fear. On the contrary, the Honecker visit will ratify a certain resignation to the fact that there are two Germanys in postwar Europe and that will continue to be as far as the eye can see.

Talks with leading officials make clear that the cry "the German question is open" is not really an attempt to press for reunification, or to lure the Russians into a promise of it in return for breaking up the Atlantic alliance. For one thing, Bonn is perfectly aware that Moscow is not in the least tempted. For another, neither is Bonn.

Rather, referring to "the German nation," as President Richard von Weizsäcker did in his recent trip to Moscow, is a way of saying the old claim has not been completely renounced despite acceptance of political partition for all practical purposes.

There are differences here, in outlook and preferred tactics, but there does seem to be a strong

consensus that West Germany must remain firmly tied to the West. Some of Chancellor Helmut Kohl's people argue that harping on "the German question" is a way to keep the eastern Communists from pre-empting a long-term emotional issue.

But they will go out of their way to show Mr. Honecker that they have no intention of trying to destabilize his state. Bonn is delighted that its policy of encouraging contacts will enable two million East Germans to visit this year, more than 10 percent of East Germany's population.

The West Germans are willing to pay a lot — several billions of dollars — for keeping in touch, and they do not encourage the visitors to stay. Few do. Nor is there much concern among the West that will find deviant ways to undermine the attachment to its democratic system. In that sense, West Germany is confident now.

Still, this is an uneasy country and people bemoan a lack of direction. It is hard to find the source of a certain miasma of doubt and malaise that seems to have spread rather thicker than usual. There is a great interest in the plans of Mikhail Gorbachev, but President von Weizsäcker's talks did not produce any more clarity on the Soviet leader's foreign policy intentions, or any special reassurance.

It is understood that Mr. Kohl's proposal for one integrated French-German brigade is a symbolic gesture that will not change any important

military arrangements, though signs of close ties with France are always welcome. The fundamentals of the West German position do not change: reliance on the United States for defense guarantees; reliance on France for a European base.

Mr. von Weizsäcker says that he told Mr. Gorbachev that improvement of the European dimension of East-West relations can come "only if France and Germany are cooperating." There can be no unilateral German way. It would be completely against our interest."

There are some long-term notions of how the pain of Germany's division and the confrontation at the center of Europe might be eased. But nobody is looking for easy moves.

So why all the disengagement and uncertainty? For one thing, Washington seems to underestimate how much the Reagan-Gorbachev summit meeting at Reykjavik shocked the Europeans, especially the Germans, who believed if their security blanket was being shredded. For another, Bonn has handled the same control proposals with striking political ineptitude. The most generous thing supporters have to say about Chancellor Kohl's leadership is that he was badly advised.

Beyond that, there is a sense that a new period is coming in East-West relations and there are no plans, not even for the next step. But for now, there is less here than meets the eye, no smoldering allied crisis. It is never wise to ignore German fears and grumps, but neither should they be exaggerated. The allied structure is holding.

The New York Times.

A Sure Test Of the Depth Of Glasnost

By Morris B. Abram

NEW YORK — By freeing nearly 200 Jewish prisoners of conscience, allowing some provincial high-profile refugees — those once refused permission to emigrate — to leave the country and opening the gates slightly to Jewish emigration, the Soviet Union's "glasnost" has shown welcome signs of change and has scored points with his country's critics.

But this has been done without any real change in the Soviet Union's policy toward its Jews. The Soviet Jews' movement both in the Soviet Union and in the West is deeply worried. We know that Moscow, alleging security considerations, still denies emigration to Jews, many of whom have not worked in their fields for 15 or 20 years. This violates a Gorbachev pledge in Paris in October 1985 that no applicant for emigration and family reunification would be rejected for this reason after 10 years' absence from any post involving state security.

In fact, the use of the secrecy classification for repatriation to Israel and family reunification has been expanded. It is being used arbitrarily in the cases of several well-known Jews, all of whom have not been privy to secrets for more than a decade. Furthermore, regulations in effect since January permit emigration for family reunification only to those with parents, a spouse, siblings and children abroad, thus effectively barring most Jews from ever applying to leave. Local emigration offices, while more cordial than the pre-Gorbachev period, still do not accept most new applications.

Even if Jewish emigration did rise to 3,000 during the first six months of 1987, it is proportionately a long way from the Soviet-inspired expectation of 11,000 by the end of the year and the precedent-setting 51,320 in 1979. Thousands of refugees' cases are being reviewed, and most of these Jews apparently are receiving permission to leave. But we fear further movement will be stymied. At stake is the future of one of every six Jews in the world. Will they disappear in black hole? Will the century that saw the loss of six million Jews also see the forced assimilation of the last big community of Jews in Eastern Europe?

These questions are important not only to the Jewish community but also to the American people, Congress and the Reagan administration. For the Kremlin's sorry performance in complying with the 1975 Helsinki accords, which include the right to practice one's religion and culture and to leave one's country, has created doubts about its credibility in other fields.

Discussions that Edgar Bronfman, the president of the World Jewish Congress, and I had with Soviet officials in March in Moscow were marked by a refreshing absence of the traditional Soviet obtuseness.

Not once did we hear, as had been the case many times before, that there was no Jewish problem in the Soviet Union and that Jewish institutional life was flourishing. Nor did the officials argue, as they habitually did, that all Jews who wanted to leave had already done so. On the contrary, they seemed to suggest a more positive approach on emigration and on Jewish life in the Soviet Union.

Since these talks ended there has been little progress. The number of Jews permitted to emigrate has been disappointing, and the fundamental obstacles to their departure have not been lifted. In fact, the review process set up to deal with the tangle of refusals has been operating under deliberately imposed obscurity. Refugees face incredible difficulty even trying to make contact with members of the review commission.

Pressing Moscow to honor its international obligations does not threaten the Soviet system. The government is permitting an increased number of ethnic Germans and some Armenians to leave. Nearly 270,000 Jews have been permitted to leave over more than 15 years.

In some East-block nations, Jews are routinely permitted to emigrate to Israel, and cultural and religious institutions are allowed to function. By contrast, the Soviet Union has the most despondent and dejected Jewish community I have ever seen.

The fate of more than two million Jews serves as a kind of litmus test. The Soviet Union's response to the application of glasnost to human rights. It will also determine the worth of the Soviet Union's credibility in its proclaimed intention to live in peace with the West.

The writer, a lawyer, is chairman of the National Conference on Soviet Jewry. He contributed this comment to The New York Times.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Churchill's Navy

LONDON — Mr. Winston Churchill, speaking on the naval shipbuilding vote in the House of Commons [on July 23], declared that the Government had the situation well in hand and that there was no need for panic alarm. Mr. Churchill gave a new explanation of the withdrawal of the fleet from the Mediterranean. He said: "I have heard it said that the Mediterranean battleships were brought home because they were wanted here. They were brought home just because they were of no use where they were. The utility of vessels of that class vanished entirely when the new Austro-Hungarian and Italian ships came into commission."

Mr. Churchill also made a surprising announcement. "The Government," he said, "is spending forty-five millions this year on the navy. Next year it is going to spend more." The main worry in Tokyo seems to

With Toshiba, the Bashing Is Mutual

By Hobart Rowen

that Congress will ban Toshiba products. Despite the forthright response of Prime Minister Yasuhiro Nakasone condemning the Toshiba subsidiary, the Japanese public is defensive. And anti-American sentiment is rising, exacerbated by the Senate passage of trade legislation viewed, correctly, as anti-Japanese.

The Japanese press suggests that the "real" purpose of the attack on Toshiba is to sabotage Japanese high-tech companies that have been getting the best of their American competitors.

According to this theory, the first victim was Hitachi, accused of dumping semiconductors. Next, Fujitsu's plan to buy up the Fairchild company was blocked. Now, there's Toshiba.

Thus, the United States and Japan are stumbling into a critically tense point in their relations.

But mounting an American-bashing campaign in response to American anger about Toshiba's security breach is a win-win strategy. It feeds the impression many Americans have that the overarching Japanese priority is to make money and that such things as the Western bloc's security means little.

Still, Japan's failures to match action with its rhetoric about trade and capital-market opening are an irritant. If Japan's supporters in America begin to conclude that Japan's word cannot be trusted, we face an increasingly ominous situation.

It should be obvious to our Japa-

nese friends that one of the main elements in the American budget deficit they complain about is a huge expenditure to defend the Western world, including Japan.

What the Toshiba subsidiary and its Norwegian partner did was wrong.

The companies should be severely punished by Japan and Norway,

rather than by the U.S. Congress. The Norwegian company, fortunately for it, does not sell consumer products in the United States. Some Americans may avoid the Toshiba label.

Sure Test
the Depth
of Glasnost

GULF: Mine Blast

(Continued from Page 1)
likelihood of a U.S. military response to Friday's mine attack.

Reagan Awakened

Mr. Fitzwater, the White House spokesman, said President Ronald Reagan was awakened by his national security adviser, Frank C. Carlucci, at 2 A.M. and told of the mining. Reuters reported.

Mr. Reagan was brought up-to-date on the situation at 9:30 A.M. during his daily intelligence briefing.

"We're still investigating and analyzing the situation," Mr. Fitzwater said. "We have not determined any source for the planting of the mine."

Officials said the incident occurred in the center of the north-central Gulf more than 100 miles from Kuwait's main oil export terminal of Al-Ahmadi, where the Bridgeton was to pick up a cargo of oil.

The Al-Ahmadi approaches were earlier reported cleared of mines by a team of U.S. experts working with the Kuwaitis, the officials told Reuters.

One U.S. official said, "The area where the mine hit today was in the middle of the Gulf, far from the seabed area. We believe the mine was moored to the bottom in about 90 feet of water and that it was at a depth of about 20 feet beneath the surface."

The key to note here about that mine," another official said, "was that it was more than 40 miles south of where any previous Iranian mines have been found."

The United States has no minesweepers in the Gulf. But Saudi Arabia has four and has been working with a U.S. team of 18 mine-clearing experts and the Kuwaitis to clear the approaches to Kuwait's harbor and oil terminal.

SCENE: U.S. Navy Escort Vessels Heard a Sonorous Boom, Then the Protected Became the Protectors

(Continued from Page 1)

packed 1,000 pounds (about 450 kilograms) of explosives, he said.

By loudspeaker, he told his crew he hoped the incident would prove to be an anomaly. But, he added, "one mine is enough to keep the pucker factor up."

The incident briefly turned the relatively calm cruise after three days into something more serious.

On the bridge, the crew turned from relaxed to grim. Many watched toward the vast waters ahead and pondered the obvious.

Lookouts on the Fox began reporting all foreign objects in the water, from plastic foam to driftwood. On the ship's starboard side,

the early morning sun made visibility poor. Off the bow, helicopters from the destroyer Kidd and frigate Crommelin scanned the swells for other objects.

From the Fox, sailing on the tanker's right, one could not see signs of damage on the tanker's left.

The Bridgeton skipper informed his crew that his top speed was now 10 knots. He volunteered to act as the lead ship because his ship's sheer size made it unlikely that another explosion would cripple it in the water.

Just before 8 A.M., the Fox moved to fall in behind the Bridgeton, followed by the Crommelin.

the Gas Prince and the Kidd. In fact, ships that the American warships had come to protect had now become the protectors.

"The Bridgeton will be acting as a deep-draft minesweeper," said Captain Mathis of the Fox. "He realizes that he can take hits easier than we can."

Just then, the commander of the Crommelin proposed that he move his vessel to the vanguard of the single-file flotilla because his ship carried a sonar capable of detecting mines up to 1,000 yards (about 900 meters) away. But the skipper of a fourth warship, the frigate Klarke, was steaming about 40 miles (about 64 kilometers) south of the convoy, came on the line and said he doubted the plan would work.

Crew members of his ship had recently tossed 50-gallon (190-liter) drums into the water and could not detect them with the sonar.

"That takes care of that," said Captain Mathis, who had been tiring with obvious interest.

The morning had dawned peacefully enough. When the captain sounded general quarters just before 5 A.M., the convoy was steaming at 16 knots in a modified diamond formation, with the Fox out front.

Outside, at 5:30, the temperature was about 36 centigrade (97 degrees Fahrenheit). The water a cool 32 centigrade (90 F), and not a cloud was in sight. In the Combat Information Center, the ship's nerve center behind the bridge, radar scanned with aircraft and boats was light. Helicopters scoured the seas for fishing boats.

"There have been no real threats

to the Gas Prince and the Kidd. It is the command of the ship of the three-vessel navy convoy.

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SHIPS: Tanker War Is Costlier for Iran Than for Iraq

(Continued from Page 1)

ance of the Security Council demand, saying it would heed it if Iran did likewise.

Iran has rejected the demand. In statements Thursday it called for an end to the U.S. military buildup in the Gulf and a halt to French arms sales to Iraq.

A pro-Iraqi newspaper in Kuwait spoke this week of Baghdad's heading the UN call only for "days or weeks."

"Iraq just will not permit Iran to use a hull in the war to prepare for a land offensive," a Kuwaiti journalist said.

Since the Security Council ordered the cease-fire Monday there have been no reports of attacks on shipping. But both Iran and Iraq have reported an upgrade in skirmishes on land fronts.

Iran, moreover, has made such bellicose statements at what it considers an intrusion by the so-called Great Satan, the United States, that its credibility, some analysts argue, may prompt some unpredictable action.

"Iran does not want a conventional war with the U.S.," a senior diplomat said. "But it could well give America some headaches" through irregular actions embarked on by members of the Revolutionary Guards, which has reportedly recruited thousands of followers in recent months for its fleet of fast launches and rubber boats.

By some diplomats' account certain issues in Tehran make it easier for the revolutionary leadership to survive if the war goes on.

KOHL: Signs of Wavering Over Pershing Missiles

(Continued from Page 1)

shorter- and medium-range systems.

When the coalition formally announced its assent to the option last month, however, it did so with the proviso that the Pershing-1As be exempted.

For the Christian Democrats, the acceptance of the double zero plan was an embarrassment, since they had argued that denuding the country of U.S. missiles would pose a threat to security and weaken the deterrence doctrine of the North Atlantic Treaty Organization.

It is with this previous retreat in mind that Mr. Kohl and other Christian Democrats have avoided taking an intransigent-sounding

stance on the Pershing-1As, officials say.

The chancellor's last comments on the question came at a news conference July 10, when he maintained that his position "had not changed at all."

Then he added: "The Pershing question is a question of the alliance, it is not a German question, and it is a negotiating position of the United States of America. Now let's wait for the negotiations — that means, the negotiations are under way, let's await the course of the negotiations."

The thrust of Mr. Kohl's remark, and the trend of official thinking, is to put the burden of the decision on the Reagan administration, which has spurred the Soviet demand that the Pershing-1A warheads be considered U.S. warheads that have to be eliminated.

Aware that Mr. Kohl has already gone through one particularly painful retreat, the Reagan administration has been careful not to be seen as leaning on the chancellor to make yet another concession, officials said.

A Western diplomat summed up the predicament of Mr. Kohl and the Christian Democrats: "They don't want to see the P-1As abandoned, but they don't want to take the responsibility for tying up the negotiations. I think they'll gear back."

The Soviet Union, however, has started to put pressure on Bonn about the Pershing question. On a state visit to Moscow this month, President Richard von Weizsaecker was lectured on the subject by his Soviet counterpart, Andrei A. Gromyko.

Another point of leverage will be the scheduled visit to West Germany in September by Erich Honecker, leader of the East German Communist Party.

Mr. Steinbacher, his lawyer, gathers up papers and bustles by. "This is fun, isn't it?" Mr. Steinbacher said.

There are other items. The

monthly total, which Mr. Kohl declares is based on recorded expenses for 1986 and so "may have increased due to inflation," is \$80,056.

Mr. Kohl likes to observe that when he met Miss Collins she was driving an old Mercedes-Benz and was making less than \$40,000 an episode on "Dynasty."

"If you look upon it in a simple way, in terms of when I met Joan, we both really had little money, when we met," he says. "She had income, but she had plenty of debt. She had a car that was \$4,000 worth, a Mercedes that was 20 years old, which is not what some of her status should have, and she had the mansion on Bowmont, which is basically on loans. Now, after a year and a half together, we bought for cash a brand-new Rolls-Royce."

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COLLINS: 'Dynasty' Star Boffo in Courtroom Drama

(Continued from Page 1)

Holm's offer of engagement because "it would give him more status as being the official man in my life rather than being just sort of the dog."

The court reporter looked up and said he had failed to catch the last word.

"Dog," Miss Collins said.

Mr. Holm is reported to be 40, Miss Collins 53 or 54.

Peter Holm, who was a rock star in Sweden, was married to Joan Collins on Nov. 6, 1985. In December 1986, Miss Collins filed for divorce. She says she and Mr. Holm had a prenuptial agreement. She says he has received everything the prenuptial agreement promised him, something over \$1 million.

Mr. Holm says there was no prenuptial agreement. He says the piece of paper that was produced on his computer was notarized and contains the signatures of him and Miss Collins was "never intended to be a legal document," was "just between Joan and me."

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ARTS / LEISURE

The Year of the 'Sunflowers'

International Herald Tribune

THE end-of-season figures just released by Christie's illustrate the extraordinary transformation that the art market has been undergoing at an accelerated pace over the past 18 months or so. It has become an outlet for the surging flow of money in search of tangible wares to buy. The market is no longer about investments that might bring

SOUREN MELKIAN

a profit, but simply recognized goods into which money that is losing credibility can be converted.

That is the main, if not the sole, explanation for the fantastic leap forward made by Christie's from one year to the other, and for the string of huge prices paid at the top of the market for a certain type of art.

From Sept. 1, 1986 to July 25, 1987, worldwide sales were up by 50 percent over the previous season, jumping from £390 million (about \$537 million, all figures converted at the going rates at the time) to £581 million (\$900 million). The firm did brilliantly in New York, where sales totaled \$308 million, which made it 56 percent more than in 1985-86. It surpassed itself in London where its main

operation at 8 King Street in Saint James's, registered an unprecedented 85 percent gain — from £136 million to £251 million.

Sortheby's will be releasing figures later so that a direct comparison is not possible at this stage. But even more telling than overall figures is the unusual number of enormous prices which in many cases vastly exceed the highest hopes entertained by both auction houses.

Christie's leads the pack with a record 25 works of art selling over the £1 million mark. Their breakdown tells more about the way the market is headed than volumes of theoretical analysis. All betray a yearning for famous names, be it of the artist who created the work or the historic family or house with which the work had a long-standing association.

It is not mere accident if the two most expensive paintings ever sold by auction in the world — both at Christie's in London — carry the signature of van Gogh. One is the large-size still life of "Sunflowers" sold on March 30 for £247,500 and the other a landscape, "Le Pont de l'Inqutelle," painted in October 1888, which made £12,650 million on June 29. Neither qualifies as a masterpiece by the artist at

his highest. But they belong to one of his two most celebrated periods, the 14 months he spent at Arles in the south of France in 1888. By a most fortunate coincidence, a special exhibition devoted to that period was organized at the Metropolitan Museum in New York in 1984. It is by far the most beautiful exhibition of van Gogh's work held within living memory.

A remarkable catalogue written by its organizer, Ronald Pickavance, points out that "this period is frequently called the zenith, the climax, the greatest flowering of van Gogh's decade of artistic activity."

The exhibition certainly proved the point. The fact that the two pictures may not have been quite so popular as that period would suggest did not matter. Measured on the scale of publicity, cleverly whipped up by Christie's, which trucked them from Tokyo to New York, the two van Goghs rated as megastars and sold as such.

That the £24.75 million "Sunflowers" should have gone to a Japanese insurance company claiming to be wanting it for their corporate museum, bears out the point about money looking for anchoring points. True, the second van Gogh, which can be argued to be the most expensive of the two in relative terms because it is unfinished and harsh in its unusual composition, went to a collector living in Switzerland. He is the collector who in December, acquired the next most expensive painting by Manet, a street scene in Paris, equally unusual in its way and very splendid, for £7.7 million. This merely means that those rare collectors who can afford to remain in the running are forced to pay the enormous sums that their new competitors are prepared to sink into art.

Next on the list comes one of the two most publicized names of English painting, with John Constable's landscape "Flatford Lock and Mill" which set a record for the Scull collection. That went for

£2.64 million on Nov. 21. This is a most admirable painting, remarkable for its complex composition and its feel for light betraying 150 years later the Dutch heritage, particularly that of Hobbema. But is it early for a Constable — it was sent to the Royal Academy show of 1812. The much more archetypal scene titled "The Young Waltons," which was negotiated privately through Christie's this season, was acquired by the National Gallery of London on the basis of a gross valuation put at £10

million. Here again the market strikingly reflects the attitudes of the new buyers who will pay more for a typical work carrying a big name, even though neither the buyer — England's most expert museum on Constable — nor those putting a price on the picture — Christie's highly competent team in this area — can remotely be described as new to the field.

By far the most telling indication

of the way in which the art market is used as a financial haven by new buyers anxious to play it safe — as they see it — is the proposition of Impressionist, Modern and Contemporary works of art among the 25 items that exceeded £1 million. There were 18 of them, from van Gogh to Francis Bacon's "Study for Portrait II" sold in New York on May 5 for \$1,760,000. Sotheby's list of works exceeding £1 million has yet to be drawn up but even a superficial check reveals the overwhelming proposition of Impressionist, Modern and Contemporary works. On Nov. 10, there was Jasper Johns' "Out the Window" from the collection of Ethel Redine. Scull sold for \$3,630,000, the highest price paid for a contemporary artist. It was followed on Nov. 11 by James Rosenquist's "Pop Freelo" "F-111" from the estate of the late Robert C. Scull, her one-time husband and the true inspiration of the Scull collection. That went for

\$2,090,000 while another Johns, "Double Flag," consisting of two American flags painted one over the other made \$1,760,000.

A week later on Nov. 18, it was the turn of Impressionism, with Renior's "La Coiffure" soaring to \$3,520,000 and Henry Moore's "Reclining Figure," a 237-centimeter-long (about 7.7 feet) bronze figure commissioned by the Art Council of Great Britain for the

Festival of Britain, realizing \$1,760,000. There were further explosions of enthusiasm at Sotheby's in London during the late March sales when a quasi-academic portrait of Rose von Rosthorn by Gustav Klimt went up to £1,760,000 followed by a portrait by Egon Schiele, much influenced by Klimt, at exactly the same price. The record for Klimt, however, was to be set on June 30, again at Sotheby's London, when a landscape blending the teachings of Pointillism and Symbolism, "Schloss Kammer," went for \$23.3 million.

The stylistic diversity of all these pictures shows that the prices do not relate to specific aesthetic interests. But all these works share characteristics that would appeal to newcomers to art. Firstly, the oeuvre of these artists is fully documented; from monographs to cata-

Christie's



Christie's security controller David Murphy with the two van Goghs - £37.4 million worth of pictures.

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Bear St	104	102	102	-1	-1%	OTC 4 a.m. volume	150,390,000	100,151	99,980	-100	-1%	Composite	172.50	171.24	171.20	+0.67	+0.3%	Advanced	265	265	265	265	0.00	0.0%	Compal Electronics	24.10	24.00	23.95	-0.05	-0.2%	ConCor	102	101	101	101	0.00	0.0%														
SouthCo	300	298	298	-2	-1%	NYSE prev. cons. close	11,320,000	11,320,000	11,320,000	11,320,000	0.00	0.0%	Industrials	127.20	126.70	126.70	+0.57	+0.4%	Declined	265	265	265	265	0.00	0.0%	Formax	24.20	24.10	24.05	-0.05	-0.2%	ConEd	102	101	101	101	0.00	0.0%													
Dow-14d	2004	2002	2002	-2	-1%	AMex prev. cons. close	11,320,000	11,320,000	11,320,000	11,320,000	0.00	0.0%	OTC 4 p.m. volume	127.21	126.72	126.64	+0.68	+0.5%	Unlisted	265	265	265	265	0.00	0.0%	Insurance	24.24	24.15	24.05	-0.05	-0.2%	ComNet	102	101	101	101	0.00	0.0%													
Gilgen	114	112	112	-2	-1%	OTC 4 p.m. volume	127.21	126.72	126.64	+0.68	+0.5%	NYSE volume up	72.10	72.05	72.05	+0.69	+0.9%	New Highs	267	267	267	267	0.00	0.0%	Bankers Trust	24.25	24.15	24.05	-0.05	-0.2%	Bankers Trust	102	101	101	101	0.00	0.0%														
Remond	17574	17574	17574	0	0%	NYSE volume down	151.42	151.14	151.04	+0.30	+0.2%	AMex volume down	151.42	151.14	151.04	+0.30	+0.2%	New Lows	267	267	267	267	0.00	0.0%	Bankers Trust	24.25	24.15	24.05	-0.05	-0.2%	Bankers Trust	102	101	101	101	0.00	0.0%														
Vi-Tech	11240	11240	11240	0	0%	OTC 4 p.m. volume	3,118,000	3,118,000	3,118,000	3,118,000	0.00	0.0%	OTC 4 p.m. volume down	n.a.	n.a.	n.a.	n.a.	n.a.	Total Issues	267	267	267	267	0.00	0.0%	Bankers Trust	24.25	24.15	24.05	-0.05	-0.2%	Bankers Trust	102	101	101	101	0.00	0.0%													
FestivW	15321	15321	15321	0	0%	OTC 4 p.m. volume	3,118,000	3,118,000	3,118,000	3,118,000	0.00	0.0%	NYSE volume down	151.42	151.14	151.04	+0.30	+0.2%	AMex volume down	151.42	151.14	151.04	+0.30	+0.2%	New Highs	267	267	267	267	0.00	0.0%	Bankers Trust	24.25	24.15	24.05	-0.05	-0.2%	Bankers Trust	102	101	101	101	0.00	0.0%							
AT&T	13923	13923	13923	0	0%	OTC 4 p.m. volume	3,118,000	3,118,000	3,118,000	3,118,000	0.00	0.0%	NYSE volume down	151.42	151.14	151.04	+0.30	+0.2%	AMex volume down	151.42	151.14	151.04	+0.30	+0.2%	New Lows	267	267	267	267	0.00	0.0%	Bankers Trust	24.25	24.15	24.05	-0.05	-0.2%	Bankers Trust	102	101	101	101	0.00	0.0%							
Amer	12691	12691	12691	0	0%	OTC 4 p.m. volume	3,118,000	3,118,000	3,118,000	3,118,000	0.00	0.0%	OTC 4 p.m. volume	3,118,000	3,118,000	3,118,000	3,118,000	0.00	0.0%	NYSE volume down	151.42	151.14	151.04	+0.30	+0.2%	AMex volume down	151.42	151.14	151.04	+0.30	+0.2%	New Highs	267	267	267	267	0.00	0.0%	Bankers Trust	24.25	24.15	24.05	-0.05	-0.2%	Bankers Trust	102	101	101	101	0.00	0.0%
OciPac	11945	11945	11945	0	0%	OTC 4 p.m. volume	3,118,000	3,118,000	3,118,000	3,118,000	0.00	0.0%	NYSE volume down	151.42	151.14	151.04	+0.30	+0.2%	AMex volume down	151.42	151.14	151.04	+0.30	+0.2%	New Lows	267	267	267	267	0.00	0.0%	Bankers Trust	24.25	24.15	24.05	-0.05	-0.2%	Bankers Trust	102	101	101	101	0.00	0.0%							
PHIPer	11716	11716	11716	0	0%	OTC 4 p.m. volume	3,118,000	3,118,000	3,118,000	3,118,000	0.00	0.0%	OTC 4 p.m. volume	3,118,000	3,118,000	3,118,000	3,118,000	0.00	0.0%	NYSE volume down	151.42	151.14	151.04	+0.30	+0.2%	AMex volume down	151.42	151.14	151.04	+0.30	+0.2%	New Highs	267	267	267	267	0.00	0.0%	Bankers Trust	24.25	24.15	24.05	-0.05	-0.2%	Bankers Trust	102	101	101	101	0.00	0.0%

Dow Jones Bond Averages					
Bonds	83.71	83.71	83.71	-0.02	-0.02%
Utilities	82.33	82.33	82.33	-0.45	-0.55%
Industrials	82.63	82.63	82.63	+0.57	+0.68%

NYSE Diary					
Close	Prev.				
Advanced	254	252	252	252	252
Decreased	244	245	245	245	245
Unchanged	20	20	20	20	20
Total Issues	494	497	497	497	497
New Highs	33	28	28	28	28

Odd-Lot Trading in N.Y.					
Buy	Sales	SHY			
July 21	467,510	251			
July 22	322,792	221			
July 23	291,228	222			
July 24	251,123	223			
July 25	231,123	224			

*Included in the sales figures.

Fridays NYSE Closing

Via The Associated Press

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

AMEX Diary

Closes

Advanced Declined Unlisted Total Issues New Highs New Lows

NASDAQ Index

Closes

Advanced Declined Unlisted Total Issues

AMEX Stock Index

Closes

Advanced Declined Unlisted Total Issues

AMEX Most Actives

Closes

Advanced Declined Unlisted Total Issues

Blue-Chip Rally Lifts NYSE

United Press International

BUSINESS ROUNDUP

Exxon's Net Up, Other Firms Mixed

Compiled by Our Staff From Dispatches

NEW YORK — Exxon Corp., the world's largest oil company, reported Friday that its second-quarter profit rose just 3 percent to \$1.15 billion from a year earlier as prices for refined petroleum products failed to keep pace with the higher cost of crude oil.

Other U.S. oil companies reported mixed results Friday.

Exxon's earnings, which amounted to \$1.61 per share, compared with \$1.11 billion, or \$1.55 a share, in the second quarter of 1986.

Revenue climbed 12 percent to \$20.16 billion from \$17.98 billion.

The improvement in crude oil prices bolstered exploration and production earnings, but profit margins remained depressed in the second quarter compared to "robust levels" in the 1986 quarter, according to Exxon's chairman, Lawrence G. Rawl.

"Increasing crude costs could not be fully recovered in either domestic or international markets and earnings from refining and marketing operations suffered as a consequence," he said.

Exxon's capital and exploration expenditures were pared to \$1.24 billion in the second quarter from \$1.91 billion one year earlier.

Shell Oil Co. reported that earnings rose 21 percent to \$266 million in the second quarter, from \$219 million in the comparable period of 1986.

Revenue rose 24 percent to \$3.2 billion from \$2.4 billion.

"Improvements in crude oil prices, chemical margins and sales volumes in both refined products and chemicals more than offset the effect of depressed refined products margins and lower natural gas prices," said the company's president, John Bookout.

"Although domestic crude oil prices increased throughout the first six months, they still averaged somewhat below last year's levels and were significantly below 1985 levels," he said.

Shell Oil, a wholly owned subsidiary of Royal Dutch/Shell Group, does not report per-share earnings.

Occidental Petroleum Corp. announced a 23 percent rise in earnings to \$39 million, or 23 cents a share, after \$48 million in the comparable period of 1986. Revenue rose 13 percent, to \$4.3 billion from \$3.8 billion.

Revenue fell 10.6 percent to \$433.2 million from \$484.5 million.

Texaco Wins Extension In a Blow to Pennzoil

United Press International

WHITE PLAINS, N.Y. — Texaco Inc. won a key round in bankruptcy court Friday when a judge ruled that the oil company was entitled to a four-month extension of the period in which to file a plan of reorganization.

The decision dealt a blow to Texaco's archrival Pennzoil Co., which had sought the right to file its own reorganization plan for Texaco.

If its plan had been allowed, Pennzoil, which had opposed the extension, said it would consider appealing the ruling.

Texaco has asked the Texas Supreme Court to hear its appeal of the judgment imposed by a Houston jury that found the company guilty in 1985 of interfering with a planned Pennzoil-Getty Oil merger contract. Texaco received Getty Oil for \$10.1 billion in 1984.

Texaco stock closed 87.5 cents higher Friday at \$47.375 on the New York Stock Exchange; Pennzoil rose 12½ cents to \$74.50.

Haft Partners Seek Dayton Hudson Stake

The Associated Press

MINNEAPOLIS — Dayton Hudson Corp., the Minneapolis-based retailing giant, said Friday it had been informed that a partnership wanted to buy more than \$15 million worth of its outstanding common shares. Based on current share prices, that would represent 25 to 30 percent of Dayton's stock.

Dayton Hudson said it received a letter dated Thursday from Herbert H. Haft of Landover, Maryland,

informing the corporation that the proposal was being made by the Haft-controlled Madison Partnership.

The letter also said that the partnership may, depending on circumstances over the next 12 months, purchase 50 percent or more of the common stock.

Dayton Hudson stock closed at \$47.675 a share Thursday on the New York Stock Exchange. By

midday Friday, the stock was up \$4.125 a share, at \$51.75.

The Minnesota legislature approved a bill last month toughening the state's corporate anti-takeover law.

Dayton Hudson sought the change amid reports that Dart Group Corp. of Landover, owned by Herbert and Robert Haft, was trying to take over Dayton Hudson.

Elders Shares Rise Sharply On Hints of Restructuring

Reuters

SYDNEY — Elders IXL Ltd.'s share price rose 20 cents Friday to 5.30 Australian dollars as speculation increased that the brewing, natural resources and agricultural company would be restructured.

The speculation followed restructuring proposals put to Elders by AFP Investment Corp. of Sydney, AFP, which was formed in 1983 from the former Australian Farming Property Co., on Thursday raised its potential stake in Elders by 20 percent to total 40 percent.

Analysts said any restructuring would focus attention on Elders' 18 percent stake in Broken Hill Pty., a liquid asset that could be sold this year.

AFP's stake in Elders assumes the exercise of stock options. On

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated

(Other Earnings on Page 9)

		1st Half	1986	1985	1984
		Revenue	\$100M	\$100M	\$100M
Britannia		1st Half	1986	1985	1984
Co. Universal Shrs		Revenue	114.7	126.0	124.0
Price/Yield		Per Share	1.25	1.35	1.35
Profit/Loss		Per Share	0.75	0.75	0.75
1st Half		1987	1986	1985	1984
Profit Net		Per Share	0.75	0.75	0.75
Per Share		0.75	0.75	0.75	0.75
Compass Group		1st Half	1986	1985	1984
Revenue		196.0	196.0	196.0	196.0
1st Half		1987	1986	1985	1984
Profit Net		Per Share	0.13	0.13	0.13
Per Share		0.13	0.13	0.13	0.13
Lloyd's Bank		1st Half	1986	1985	1984
Revenue		125.0	125.0	125.0	125.0
1st Half		1987	1986	1985	1984
Profit Net		Per Share	0.25	0.25	0.25
Per Share		0.25	0.25	0.25	0.25
Ashland OH		1st Half	1986	1985	1984
Revenue		120.0	120.0	120.0	120.0
1st Half		1987	1986	1985	1984
Profit Net		Per Share	0.15	0.15	0.15
Per Share		0.15	0.15	0.15	0.15
Canadian		1st Half	1986	1985	1984
Bell Canada Est.		Revenue	196.0	196.0	196.0
1st Half		1987	1986	1985	1984
Profit Net		Per Share	0.15	0.15	0.15
Per Share		0.15	0.15	0.15	0.15
Imperial Oil		1st Half	1986	1985	1984
Revenue		196.0	196.0	196.0	196.0
1st Half		1987	1986	1985	1984
Profit Net		Per Share	0.15	0.15	0.15
Per Share		0.15	0.15	0.15	0.15
Border Televised		1st Half	1986	1985	1984
Revenue		120.0	120.0	120.0	120.0
1st Half		1987	1986	1985	1984
Profit Net		Per Share	0.15	0.15	0.15
Per Share		0.15	0.15	0.15	0.15
Japan		1st Half	1986	1985	1984
Citizen Watch (Gyr)		Revenue	196.0	196.0	196.0
1st Half		1987	1986	1985	1984
Profit Net		Per Share	0.15	0.15	0.15
Fuji Heavy Ind.		1st Half	1986	1985	1984
Revenue		196.0	196.0	196.0	196.0
1st Half		1987	1986	1985	1984
Profit Net		Per Share	0.15	0.15	0.15
Suntory		1st Half	1986	1985	1984
Revenue		196.0	196.0	196.0	196.0
1st Half		1987	1986	1985	1984
Profit Net		Per Share	0.15	0.15	0.15
Norit Hydro		1st Half	1986	1985	1984
Revenue		196.0	196.0	196.0	196.0
1st Half		1987	1986	1985	1984
Profit Net		Per Share	0.15	0.15	0.15
United States		1st Half	1986	1985	1984
AMAX		Revenue	196.0	196.0	196.0
1st Half		1987	1986	1985	1984
Profit Net		Per Share	0.15	0.15	0.15
American Petrotex		1st Half	1986	1985	1984
Revenue		196.0	196.0	196.0	196.0
1st Half		1987	1986	1985	1984
Profit Net		Per Share	0.15	0.15	0.15
Chubbs		1st Half	1986	1985	1984
Revenue		196.0	196.0	196.0	196.0
1st Half		1987	1986	1985	1984
Profit Net		Per Share	0.15	0.15	0.15
Digital Equipment		1st Half	1986	1985	1984
Revenue		196.0	196.0	196.0	196.0
1st Half		1987	1986	1985	1984
Profit Net		Per Share	0.15	0.15	0.15
Colgate-Palmolive		1st Half	1986	1985	1984
Revenue		196.0	196.0	196.0	196.0

CURRENCY MARKETS

Dollar Weakens, Shrugging Off GNP

Compiled by Our Staff From Dispatches
NEW YORK — The dollar closed lower Friday, primarily against the Japanese yen after a better-than-expected report on the U.S. economy failed to elicit the support needed to drive the currency higher.

"The number really did not give much direction to the market," said James Vick of Manufacturers Hanover Corp. "After the analysis, the number was primarily neutral and not really a factor" despite widespread interest before its release.

The dollar ended at 149.50 yen, down from 151.25 at Thursday's close. It ended at 1,851.50 Deutsche marks, down from 1,860.00; at 6,161.00 French francs, down from 6,158.00; and at 1,533.50 Swiss francs, down from 1,542.00.

The U.S. currency also slipped against the British pound, which ended at \$1.6065, against \$1.6025 Thursday.

The Commerce Department said

London Dollar Rates

Closing

Dollars per unit

U.S. dollar

Japanese yen

Deutsche mark

French franc

Swiss franc

Source: Reuters

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Best-Seller Trial Of Jeffrey Archer

By Karen DeYoung

Washington Post Service

LONDON — After one of the more riveting trials here in recent memory, a High Court jury Friday awarded author Jeffrey Archer £500,000 (about \$800,000) in legal damages from the British tabloid The Star.

The newspaper must also pay legal costs of £700,000 in the trial, over a Star story alleging that Archer had had relations with a prostitute and had tried to pay her off to avoid a scandal.

If not the trial of the century, Archer's libel suit against one of Britain's leading "popular" newspapers provided riveting summer entertainment. It had something for everyone: Politics, Sex, Love, Lust, Lies, Power, Money.

Following two weeks of testimony, the jury took just four and one-half hours to agree with Archer, who had told them from the start, "I may have made a fool of myself, but I'm no liar."

Events leading up to the court case began last September when Archer, a multimillionaire author and then-senior figure in Britain's Conservative Party, received an unusual telephone call from a woman who identified herself as a prostitute.

One of her clients, the woman said, had been spreading stories about her relationship with Archer, and she was being harassed by smut-seeking newspapers intent on publicizing it.

Archer expressed surprise, and protested that he had never met the prostitute, let alone purchased her services. But he sympathized with her problem, and realized that the bad publicity, even if untrue, could harm his political career. After several more phone calls over a period of weeks, he told the court, during which he became increasingly distressed for both her welfare and his own, he suggested she might want to leave the country for a while and offered to help her with a £2,000 payment.

The defendant in the case, Express Newspapers, proprietors of The Star, described those same events in court from another angle. A British newspaper — not the Star — received a tip from a self-described client of the prostitute who claimed to have seen Archer with her and recognized him. Armed with a photograph of Archer, the newspaper approached the prostitute. While she said she was unfamiliar with his name and

profession, she positively identified him as someone who had purchased her services.

Appealing to her patriotism and her pocketbook, the newspaper arranged for her to telephone Archer and explain that he was in danger of exposure. After several conversations, all of which were tape-recorded without Archer's knowledge, he offered her money to leave the country. The newspaper, continuing its "investigative journalism," photographed the exchange of funds between an associate of the author and the prostitute.

Both versions ended the same way, with an exposé and photographs on the newspaper's front page. Within hours after publication, on Oct. 27, Archer issued a statement insisting he had never met the prostitute and had been trapped by the newspaper. He acknowledged, however, that he had spoken to her, and "foolishly" arranged to help her leave the country. Archer then resigned as a deputy chairman of the Conservative party.

For purposes of the libel case, only one question counted: Did Archer purchase and have sex with the prostitute on that long ago night last September? The paper — and the prostitute — said yes. Archer — and the jury — said no.

From the start, it was clear that the case would be a crowd-drawer.

Archer, two of whose seven best-selling novels ("Kane and Abel" and "First Among Equals") have been made into television mini-series, is an international celebrity. His resignation from his party position caused a major upheaval here.

At the same time, tabloid newspapers such as The Star, which provide the main news diet for millions of Britons, are driven by cutthroat competition. Typical of the ferocity of that competition is that it was not The Star that broke the Archer story, but the News of the World, a Sunday tabloid, whose Oct. 27 article carefully avoided saying that Archer had had intercourse with the woman, leaving selected portions of the taped conversations and the cash payment to speak for themselves. Archer has a separate lawsuit pending against the News of the World.

So apparently dismayed was The Star at being scooped, however, that it ran its own Nov. 1 story, based on an interview with a relative of the prostitute, stating that Archer had paid for sex with her.

Spectators began lining up hours before the court opened each day, hoping



Courtesy London Evening Standard

Mary Archer



Courtesy London Evening Standard

Monica Coghlan

for a chance to squeeze onto one of the six narrow public benches inside before the "full" sign went up on the door. So many journalists turned up to cover the proceedings that the judge, who seemed alternately bemused and bored by the testimony, on occasion invited the overflow to share his bench.

In pursuit of the truth, a jury of four women and eight men heard Archer describe his love for his wife, his close relationship with Prime Minister Margaret Thatcher, and the damage done by the story to his political career.

Well-dressed, clean-shaven and tanned, Archer, 47, appeared on several days on the witness stand to be pelted with questions by his political enemies. He was clearly a clever, tightly controlled, relentless achiever. Elected to Parliament at age 29, he subsequently resigned after a disastrous investment left him close to bankruptcy. Never one to mope, he wrote a novel based on his closing argument at Wednesday's court session.

It soon became a trans-Atlantic best-seller, and he followed it with six more, all of which were hugely successful. By 1985, he had re-established his bank balance and reputation and was asked by Thatcher to take over as deputy party chairman, an appointment Conservative strategists thought would add a bit of dash to the staid Tory image. According to testimony in the case, Archer helped eventually to take over as party chairman.

As described by himself and his lawyer, Robert Alexander, Archer had nothing to gain and everything to lose by picking up a London streetwalker in a busy neighborhood, paying her the equivalent of about £70 for quick sex in a seedy hotel and then attempting to lie about it. His mistake, they argued, was in

being so fearful of the power of the tabloid press that he was prepared to pay off a woman he never met to avoid even the appearance of a scandal over something for which he was blameless. If Archer was not now telling the truth, why would he compound the disgrace and embarrassment the story had caused by dredging it all up, in excruciating detail, in court?

In his closing argument at Wednesday's court session, Armstrong described the story as "wholly false," turned by The Star from a "back-street bedroom farce into a wicked plot to destroy a human being."

Although the editor of The Star did not testify, his counterpart at the News of the World did. Archer, he said, had telephoned him repeatedly on the night before the story broke, alternately begging him not to run the story and threatening him if he did. Those conversations, too, were typed by the newspaper, unbeknownst to Archer.

In his closing argument, the defense counsel Michael Hill described Archer as a man with "some fantastic fictional picture of himself in his mind" that drove him to the prostitute, who had then "lied and lied and lied" both to reporters and to the jury.



Courtesy London Evening Standard

Jeffrey Archer

Archer was unquestionably helped by the testimony of his wife, Mary, a Cambridge University professor. Day after day, after the proceedings opened July 7, she appeared at her husband's side — a neat, attractive figure with short black hair, doggedly scribbling notes on a legal pad. Reporters compared her supportive and fiercely loyal demeanor to that of Betsy North, whose husband Oliver had been appearing in a different sort of proceeding across the Atlantic.

Far from being familiar with the ways of prostitutes, Mary Archer testified, her husband would probably run the other way in fright if he encountered one. It seemed perfectly plausible to her, knowing Jeffrey, that he would feel sorry for a woman he had described as sounding "frightened and desperate." Only rarely did Mary Archer lose control on the witness stand. Occasionally she wept quietly, and once she shouted at the editor of The Star.

The main attraction throughout, however, was 36-year-old Monica Coghlan, the prostitute known to Archer in his telephone conversations with her as "Debbie."

Alternating between hysterical weeping, shouting and soft-voiced calm, Coghlan told the court she had been driven into prostitution after being sexually abused as a teen-ager. Since then, she said, she had slept with thousands of men for money, till of which she had either squandered on herself or spent on clothing for her young son.

Coghlan maintained throughout that she is little more than a pawn of more powerful figures — including Archer and the press. She denied being paid by the newspaper for her help, and maintained that she received only "expenses."

PEOPLE

Beatles Seek \$40 Million

The Beatles have filed a \$40-million lawsuit against their former record company and demanded the return of master tapes of their top albums. The Beatles charged Thursday in state Supreme Court in Manhattan that Capitol Records and its parent company EMI unfairly withheld release of the group's records on compact discs for two years, the New York Post and the Daily News said. The suit also claims the record company is illegally taking 25 percent from the Beatles' compact-disc royalties, the Post said. The suit was filed on behalf of Paul McCartney, George Harrison, Ringo Starr, John Lennon's widow, Yoko Ono, and their now-defunct Apple record label.

The Franco-Belgian co-production "Les Noces barbares" (Czech Wedding), by the French director Mariano Barroso, won the 30-million-peso (\$236,000) Europe prize at the first Barcelona film festival. The film, which had its world premiere at the festival, is based on a best-selling French novel by Yann Quétif.

Hilda Crooks, a 91-year-old mountaineer from Lone Linda, California, reached the top of Mount Fuji, Japan's tallest peak, at dawn Friday after a difficult three-day climb. She is the oldest woman to conquer the 12,383-foot (4,063-meter) Mount Fuji. In the last leg of the climb, Crooks left a rest hut at 1 A.M. and inched her way up in the final 52 yards, resting in a camp chair every few minutes. Since she was 66, Crooks has scaled 97 peaks, including 86 of the Sierra Nevada mountains over 5,000 feet high. The previous holder of the women's age record for Mount Fuji was Miss Yutaka of Kanagawa state, west of Tokyo, who climbed Fuji in 1985 at age 50, said officials of the sponsoring company, Felicitas of Fukushima state in northern Japan. Holden holds the men's record, climbing the mountain 63 miles southwest of Tokyo last summer at 99. He plans to climb Fuji again next month, at age 100.

President Abdou Diouf of Senegal and Thomas R. Oshiomhole, a Kenyan pest-control expert, were named joint winners of the Africa Prize for Leadership, a new \$100,000 award sponsored by the New York-based Hunger Project. Robert McNamara, chairman of the six-member judges' panel and a former World Bank president, announced the winners by satellite from Washington on a television screen set up in a Nairobi restaurant. McNamara said Diouf, last year's winner after he realized his love for Ono was hopeless, including fruitlessly proposing to her daughter. He finally married in 1972 at the age of 52 and died in 1979 at the age of 74.

Liberato, the glitz-king emcee who combined piano and pizzazz, will be the subject of a television movie made by Dick Clark Productions Inc., the company announced. Clark's production company and the Liberato estate have joined in an agreement concerning the film, a two-hour movie-of-the-week produced for ABC Television. Clark said Liberato died in February from complications of AIDS, or acquired immunodeficiency syndrome.

GOING ONCE, TWICE, SOLD!!!
INTERNATIONAL ART EXHIBITIONS, AUCTION SALES' COLLECTOR'S GUIDES IN SATURDAY'S INTERNATIONAL HERALD TRIBUNE TODAY ON PAGE 6.

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